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### *MMA – The Centers for Medicare & Medicaid Services (CMS) Recovery Audit Contract (RAC) Initiative*

#### Key Words

SE0565, SE0469, RAC, Initiative, Demonstration, MMA, Project, Contractor, Process, Audit, Recovery, Pilot

#### Provider Types Affected

Physicians, providers, and suppliers, especially in California, Florida, and New York

#### Key Points

- This article was revised on December 28, 2005, to clarify that HealthData Insights will also perform reviews for durable medical equipment claims for beneficiaries who reside in Florida.
- On January 11, 2005, CMS announced the recovery audit contractor demonstration project.
- This demonstration, mandated by the Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA), will evaluate the use of recovery audit contractors in identifying Medicare underpayments and overpayments and recouping overpayments
- On March 28, 2005, CMS awarded five RACs and officially announced the beginning of the recovery audit contractor demonstration.
- Three of the five recovery audit contractors will perform post-payment medical review in the states of California, Florida, and New York.
- The firms and the state they are responsible for are as follows:
  - Connolly Consulting will perform claim reviews for providers who are serviced by an FI or carrier in New York and for durable medical equipment claims for Medicare beneficiaries who reside in New York.
  - PRG Schultz and its subcontractor, Concentra Preferred Systems, will perform claim reviews for providers who are serviced by a FI or carrier in California. PRG Schultz will also perform reviews for durable medical equipment claims for beneficiaries who reside in California.

- HealthData Insights will perform claim reviews for providers who are serviced by a fiscal intermediary or carrier in Florida. Both HealthData Insights and Connolly Consulting will perform reviews for durable medical equipment claims for beneficiaries who reside in Florida.
- The recovery audit contractors have a three-tiered process:
  - The first level involves Part A Diagnosis Related Group (DRG) reviews.
  - The second level involves overpayments determined by the recovery audit contractor's proprietary data mining systems. These overpayments may be for a Part A or Part B service.
  - The last level involves the actual request of medical records for Part B services.
- Questions concerning the recovery audit contractor demonstration may be directed to the email address [cmsrecoveryauditdemo@cms.hhs.gov](mailto:cmsrecoveryauditdemo@cms.hhs.gov).

### Important Links

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